FY09 SMART Governing Manual for Agency Planning
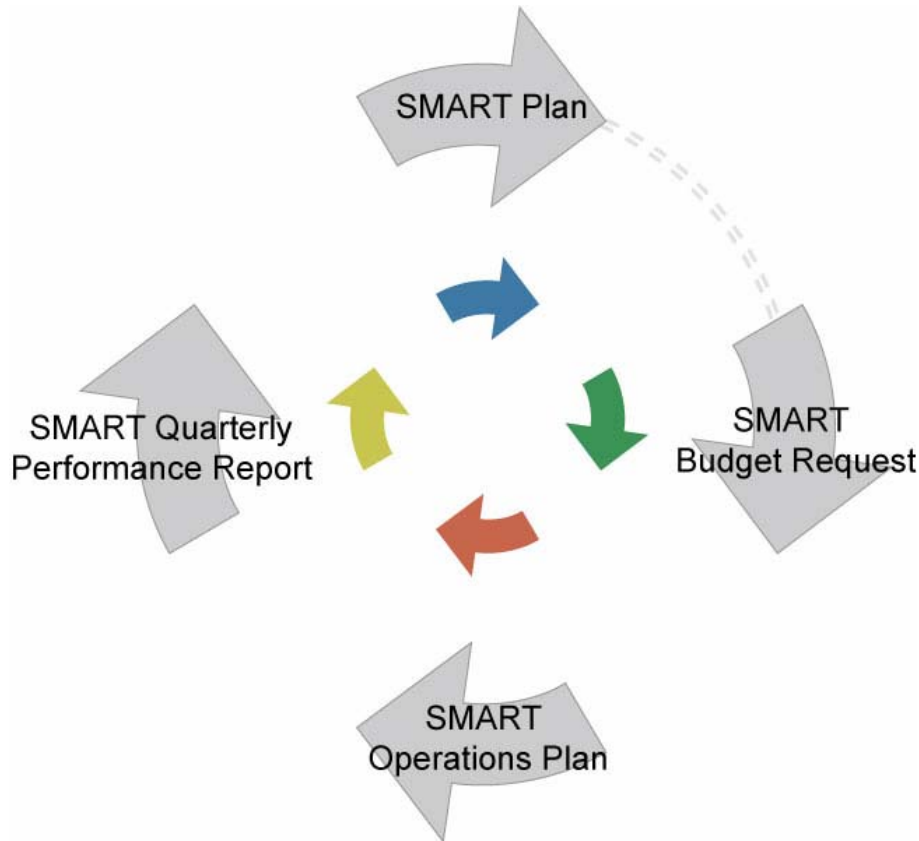

Planning with Purpose

State of Alabama
Bob Riley
Governor

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Section 1:
SMART MANUAL CHANGES & HIGHLIGHTS

The SMART Planning Manual has been refined for FY 09 although very few changes have been made to the process. Revisions include the following:

1. **Revised, Governor's Priorities—**
    The Governor has revised his plan for the state and provided a new set of priorities to guide agency planning. Agencies will participate in measuring Governor's Priorities where appropriate. (See page 10)

2. **Expanded Explanation of Objectives—**
    The Objectives section focuses on developing a balanced set of measures, which show the *total value* of each Key Goal.
    (See page 23)

3. **Introduction—**
    An executive summary of SMART Governing outlines the process and its purposes. (See page 3)

4. **Revised Internal / External Assessment—**
    A description of how the Internal/ External Assessment guides the development of every component in a SMART Plan. (See page 14)

5. **Refined terms and definitions—**
    Definitions and terms have been clarified based on agency feedback.

6. **Conceptual Focus**—
    This year's manual focuses on clearly explaining SMART concepts and giving guidelines for development rather than focusing on reporting requirements. Technical requirements and instructions for each phase will be available online at www.SMART.alabama.gov or in the SMART Planning Handbook.

Section 2:
INTRODUCTION TO SMART GOVERNING

SMART Governing Overview

S pecific Results

M easurable Key Goals

A ccountable to Stakeholders

R esponsive to Customers

T ransparent to Everyone

- The SMART Governing Initiative (SMART) combines **strategic planning and performance monitoring** with the **budgeting process** of all of Alabama's state agencies**.** The SMART process is designed to improve government performance by investing state resources more wisely, promoting better collaboration between agencies and holding all governmental agencies accountable for their actions.

- **The Budget Management Act:**
  SMART began in the summer of 2004 when Governor Bob Riley and the Department of Finance committed to fully implement the Budget Management Act of 1976, thereby requiring program planning in all state agencies.
  In summary, the **Budget Management Act** requires the following:
  - ✓ State agencies[1] provide the Executive Branch with plans for government programs and to report on performance;
  - ✓ Executive Branch collects and analyze agency plans in order that the Governor may provide the Legislature with a statewide plan, and
  - ✓ Legislature monitors performance to ensure that agencies are executing their plans.

- **Strategic Planning and Performance Management:**
  The information collected and reported through SMART is a combination of concepts traditionally associated with **strategic planning and performance management.** SMART does not require agencies to submit comprehensive strategic plans nor does it report in-depth performance information. The data collected and reported through SMART should communicate summary level information to decision makers and to the public. In order to communicate to these audiences effectively, the plans are shaped around the budget request process. Likewise, the performance data should show key performance information only in terms of the *quality and efficiency* of government services.

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[1] Throughout this document, the term "agency" refers to state agencies, regulatory boards, and any other organizations that participate in SMART. Institutions of higher education and organizations that use the EBO Postsecondary Budgeting Process should refer to the " **SMART Governing Manual for Higher Education."**

Statewide and Agency Planning

- **Statewide Planning:**
  The **Governor's Priorities** (see page 10) establish a statewide direction. These priorities provide guidance for agency planning and goal setting. Through the budgeting process, the Executive Branch proposes funding for agencies based on how well their plans align with the priorities for the state.

  The priorities also establish a framework for interagency collaboration and reporting on statewide performance. To facilitate collaboration and evaluate broad performance data, state agencies are grouped into various **Functions.** Agencies are assigned a Function based on the primary services they provide although at times agencies may have Missions that relate to multiple functions. (See "Functions of Government" in Appendix B)

- **Agency Planning:**
  Agencies participate in the **SMART Cycle**. In this cycle, agencies submit summary strategic plans to the Department of Finance that relate the agency goals to the Governor's Priorities for the State. These summary plans are then linked to the agency's budget request and provide key information used in budgetary decisions. Once the Legislature passes the state budget, the plans are refined to establish a framework for tracking agency performance. Agency performance data are reported to the public, monitored by the Legislature and considered in future budgetary decisions. (See "SMART Governing Cycle Overview" page 6)

  During the planning cycle, agencies are involved in **Capital Assets Planning**. These plans are essential to long-range development of budget and planning priorities for both agencies and the state.

Accountability

- The SMART process establishes accountability through the state's budgetary process, full reporting to the public and performance review by the Legislature and Executive Branch. The following accountability measures have been implemented:

  - ✓ **Public** may access agency SMART planning and performance information through the website www.SMART.Alabama.gov;
  - ✓ **Examiners of Public Accounts** audit the performance of state agencies;
  - ✓ **Legislature** is provided with copies of plans, performance information and with performance audits;
  - ✓ **Executive Branch** considers performance information when formulating the Governor's recommended state budget;
  - ✓ **Incentives** are offered to state agencies who demonstrate success in managing performance and meet established criteria for **High Performers**. These incentives generally come in the form of more flexible administrative policies through the Department of Finance.

The Executive Planning Office (EPO)

- As a division of the Department of Finance, the EPO facilitates the development of statewide and agency level plans. The EPO strives to:
  - ✓ Refine the SMART process including coordination with agencies, the Executive Budget Office (EBO) and the Examiners of Public Accounts;
  - ✓ Educate agencies on the SMART Process, collect agency plans and provide feedback to agency planners;
  - ✓ Analyze and report data from agency plans to the public, legislature and decision makers;
  - ✓ Facilitate statewide planning and accountability efforts when needed.

Section 3:
SMART GOVERNING CYCLE OVERVIEW

Introduction
The SMART Cycle includes four documents submitted by every state agency each fiscal year. The process begins by establishing a summary plan that is refined during the budgeting process. Once the plan and budget are finalized, performance is tracked quarterly throughout the year. See "Appendix A" for timelines. The SMART process also includes a Capital Asset Plan submitted with the SMART Plan and refined with the SMART Budget Request.

- **The Four Phases**
  The four phases of the SMART Cycle are listed below with:
  - a brief explanation of how each phase fits into the SMART Cycle;
  - an approximate **due date**;
  - the required planning **components**;
  - the **source** of the information.

  (1) SMART Plan (EBO Form 4)
  The SMART Plan is an agency's summary strategic plan. It highlights an agency's Key Goals for the next three to five year period. The Plan also expresses how the agency will accomplish these Key Goals and track performance.
  - **Due Date:**
    - July / August
  - **Components**:
    - Mission, Vision, Values, Workloads, Key Goals, FY Strategies, Critical Issues and FY Objectives
  - **Source:**
    - Agency planning process, prior year SMART plans and/or the agency strategic plan

  (2) SMART Budget Request (EBO Form 4a)
  The SMART Budget Request is a refinement of the SMART Plan that adds the agency's request for funds.
  - **Due Date:**
    - November 1st
  - **Components:**
    - Revisions allowed to: Mission, Vision, Values, Workloads, Key Goals, FY Strategies, Critical Issues and FY Objectives
    - Additional component(s) introduced: Total funds requested (in Spending and Staffing Resources)
  - **Source:**
    - The SMART Plan and EBO Budget Request

(3) SMART Operations Plan (EBO Form 4b and Form 10)

The SMART Operations Plan is a refinement of the SMART Budget Request in response to the actual funds appropriated by the Legislature and signed by the Governor. Refinements may occur if the funding provided is different from the amounts requested or if a situation changes significantly.

- ➢ **Due Date:**
  - ✓ Mid September
- ➢ **Components**:
  - ✓ Revisions allowed to: Workloads, Key Goals, FY Strategies, Critical Issues and FY Objectives
  - ✓ Additional component(s) introduced: **Total appropriation** and **final performance targets** including quarterly projections
- ➢ **Source:**
  - ✓ The SMART Budget Request, the Appropriations Act, and EBO Operations Plan.

(4) SMART Quarterly Performance Reports (EBO Form 10)

SMART Quarterly Performance Reports compare actual performance to the targets established in conjunction with the SMART Operations Plan.

- ➢ **Due Date:**
  - ✓ January, April, July and October
- ➢ **Components**:
  - ✓ Actual and projected data for Workloads and FY Objectives
- ➢ **Source:**
  - ✓ The SMART Operations Plan and actual performance data

- **Capital Planning**

  The SMART Capital Assets Plan is a five year plan designed to identify an agency's current and anticipated capital needs. Project summaries are submitted with the SMART Plan and refined with the Budget Request. If the total project cost exceeds a threshold of $500,000, project details are required. (See **SMART Capital Asset Manual**)
  - ➢ **Due Date:**
    - ✓ July/August and November and October
  - ➢ **Components**:
    - ✓ Project descriptions and long-range project cost
    - ✓ Detailed information for plans that exceed $500,000 threshold
  - ➢ **Source:**
    - ✓ Prior year Capital Asset Plan and SMART Plan

Section 4:
PLANNING PROCESS: AGENCY ORGANIZATION FOR SMART PLANNING/BUDGET STRUCTURE AND PLANNING TEAM

- **Planning/Budget Structure:**
  To begin the planning process, an agency must first select the correct format for developing its SMART Plan. There are two formats:

  (1) **Multi-level Format**
  Agencies that select multi-level will submit plans at either the program or the activity level along with an agency level summary.
    - ✓ An agency with more than one budgetary program must select multi-level.
    - ✓ An agency with only one program and multiple activities may select multi-level or basic.

    Multi-level agencies will create an overall agency summary along with additional plans for every budgetary program or activity. The overall agency summary should highlight the most important elements from the program or activity level plans.

  (2) **Basic Format**
  Agencies that select basic will submit only one SMART Plan for the entire agency.
    - ✓ An agency with only one program and only one activity below the program level must select basic.
    - ✓ An agency with only one program and multiple activities may select multi-level or basic.

- **Planning Team:**
  SMART Governing begins with basic organizational decisions aimed at ensuring that the process runs smoothly and effectively. Planning decisions include deciding who will manage the process and who will participate on the agency's planning team. Some agencies have executive management teams that routinely meet and handle operational issues; this group may serve as the nucleus of the planning team.

- **Team Members**
  - ➢ **Agency Director:**
    The chief executive officer, director, commissioner, etc., should provide overall direction and active support for the planning process.
    Responsibilities include:
      - ✓ Appointing the Agency Planning Coordinator and the Agency Planning Team;
      - ✓ Enabling the Agency Planning Coordinator to carry out his/her duties efficiently;

- ✓ Chairing the SMART Governing Team to ensure the development of a sound plan as the basis for SMART Budget Requests, SMART Operations Plans and SMART Quarterly Reports.

➢ **Agency Planning Coordinator:**

The Agency Planning Coordinator (APC) role may be filled by the Director or may be a person appointed by the Director. The APC will be the primary contact for the SMART Governing initiative.

Responsibilities include:
- ✓ Organizing the SMART Governing process for the agency;
- ✓ Scheduling meetings;
- ✓ Gathering and disseminating information;
- ✓ Moving the agency through the planning process;
- ✓ Providing timely reporting.

➢ **Agency Planning Team:**

The Agency Planning Team is appointed by the Director to develop the agency's SMART phases. This team should include senior executives who have broad knowledge of all the service and functional areas of the agency. It is particularly important to include **both** planning and financial managers.

Responsibilities include:
- ✓ Conducting a thorough assessment of the agency;
- ✓ Defining the agency's Mission, Vision, Values, and Workloads;
- ✓ Setting Key Goals that provide direction for the agency;
- ✓ Identifying Critical Issues that inhibit or enable agency performance;
- ✓ Developing Strategies to accomplish the agency's goals;
- ✓ Working with the agency's budget officer to determine the cost of implementing goals and the overall plan;
- ✓ Creating a 5 year Capital Plan connected with the SMART Plan.

Section 5:
PLANNING PROCESS: GOVERNOR'S PRIORITIES

Agency Planning begins by looking at the Governor's plan for the state. The purpose of this section is to provide state agencies with a list of the Governor's top priorities. This list is not to be interpreted as an exhaustive list of the Governor's plans for Alabama. <u>Where appropriate, agency goals should be developed that advance and measure the Governor's Priorities.</u>

Governor Riley's top five priorities are listed below along with short explanations. Following each priority, specific issues have been identified and divided into the Functional Categories to which they apply.   (For more about Functional Categories, see Appendix C.)

Governor's Priority 1: Create a World Class Education System
"Our education system will be able to prepare all Alabama students for the challenges of a new global economy."

Functional Area: **Education and Culture** (K-12)
1. Provide more support for educators and improve teacher development.
2. Improve the quality of school facilities throughout the state.
3. Improve student achievement in Reading, Math and Science.
4. Reward schools and teachers for exceptional performance.
5. Increase the High School graduation rate.
6. Expand distance-learning opportunities and offer AP courses in every high school.

Functional Area: **Education and Culture** (Higher Education and Postsecondary)
1. Improve and expand the state's workforce development programs.
2. Expand investment in institutions of higher learning, including strategic investment in research institutions as they create 21st Century jobs.

Governor's Priority 2: Reform State Government
"We will be recognized as the most open, honest, and accountable state in the nation."

Functional Area: **General Government**
1. Establish and maintain the highest standards of ethical behavior and accountability.
2. Improve the services and efficiency of State Government by focusing on Key Goals identified through SMART Governing.
3. Ensure a healthy balance of power between the Executive and Legislative branches, foster a citizen legislature and limit special interest influence in Montgomery.

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Governor's Priority 3: Expand Economic Growth

"We will create a favorable business climate and strong infrastructure that result in a prosperous and growing economy, providing greater opportunities for all Alabamians."

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Functional Area: **Economic Development and Transportation**

1. Decrease taxes for the working people of Alabama.
2. Increase the number of new jobs announced by new and existing companies.
3. Increase the number of Alabama entrepreneurs and provide assistance to small businesses.
4. Expand Alabama's economic opportunities abroad.
5. Improve the skills that Alabamians offer employers, especially in rural counties.
6. Encourage businesses to increase their investment in research activities in Alabama.
7. Protect and promote the farm economy.
8. Improve the quality of infrastructure across the state.

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Governor's Priority 4: Protect Alabama

"We will improve the safety of people and property through an aggressive focus on preparedness, enforcement, and rehabilitation."

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Functional Area: **Protection of Persons and Property**

1. Reduce the number of traffic fatalities and make Alabama's highways safer.
2. Reduce the occupancy rate of prisons to meet national corrections standards.
3. Reduce recidivism rates through an increased investment in community corrections and other alternative rehabilitation programs.
4. Strengthen our response capabilities by preparing communities and emergency officials for crisis.

"We will initiate programs to enhance our cultural and natural resources, and we will improve the delivery of human services for Alabama's vulnerable children and adults while promoting self-sufficiency."

Functional Area: **Health and Human Services**
1. Offer better compensation for foster parents and more resources for Alabamians who adopt children.
2. Increase the number of counties with integrated health and human services delivery systems, including both public and private providers.
3. Improve access to community-based services to for individuals with mental illness and mental retardation.
4. Control growth in spending in the state Medicaid program.
5. Provide a plan for veterans' long-term-care.
6. Assist and inform faith-based groups as they seek federal funding to provide services to our citizens.

Functional Area**: Natural Resources and Environment**
1. Enhance natural resources with a Coastal Enhancement Fund.
2. Invest in alternative energy sources in order to decrease the state's dependency on foreign energy providers.
3. Protect and improve the vitality of Alabama's wildlife population.
4. Protect and improve Alabama's air and water resources.
5. Maintain current environmental quality while reviving damaged sites.

Functional Area: **Education and Culture** (Culture)
1. Secure and maintain Alabama's cultural and historical resources for future generations.

Section 6:

PLANNING PROCESS:
THE FIVE BASIC QUESTIONS OF SMART PLANNING

The SMART Planning process addresses the following five questions:

1. ## Where are we now?
   - Utilize an *Internal/External Assessment* to evaluate the agency's current standing;
   - Define legal *Mission(s)* of the agency;
   - Express the *Values* that govern the agency's actions;
   - Define the *Workloads* that the agency's operations face.

2. ## Where do we want to be?
   - Develop the *Vision* for carrying out the agency's Mission(s);
   - State the *Key Goals* intended to improve the efficiency or quality of an agency's performance.

3. ## How do we get there?
   - Outline the FY *Strategies* that will best enable the agency to succeed and move toward accomplishing Key Goals;
   - Address the *Critical Issues* in order to accomplish Key Goals.

4. ## How do we measure our progress?
   - Establish FY *Objectives to* mark interim steps for achieving Key Goals.

5. ## What resources are necessary?
   - Summarize the *Spending and Staffing Resources* needed to implement the plan.

Question 1: *Where are we now?*

❖ **Internal/External Assessment, Mission, Values and Workloads.**

The first step in the SMART Process is assessing the agency's internal and external status. This assessment lays the foundation for all subsequent components of SMART and is one of the most essential steps in the planning process.

1. INTERNAL/EXTERNAL ASSESSMENT

- Definition:
  An Internal/External Assessment is a candid evaluation of internal and external data that provides the agency with a clear sense of its current standing. **The Internal/External Assessment is not submitted.**

- Guidelines:
  The Internal/External Assessment may be completed by answering the following questions:
  1) What is the agency's job?
     ✓ Define major responsibilities, desired outcomes and key indicators of success.
     ✓ Identify customers and stakeholders; define needs and expectations.
  2) Where has the agency been?
     ✓ Define the track record of performance and perception.
     ✓ Identify historical strengths and weaknesses to include any funding issues.
  3) Where is the agency now?
     ✓ Evaluate the organizational structure, culture and image.
     ✓ Assess the agency's current performance.
     ✓ Identify recent changes, internal accomplishments and improvements.
     ✓ Identify immediate demands with customers and stakeholders; note critical budgetary considerations.
     ✓ Recognize external opportunities and/or threats for the agency.
  4) What are the priorities for moving forward?
     ✓ Processes to be maintained / refined.
     ✓ Situations to be avoided / activities ended.
     ✓ Processes to be improved / projects begun or completed.
     ✓ Problems to be resolved / issues to be addressed.

- Assessment Process:
  Thoroughly answering each question listed above for every division of the agency is not necessary or feasible. Questions 1 and 2 may only be reviewed every few years for the entire agency and full assessments may focus on different divisions of the agency from year to year.

- Participants and Feedback:
  Ideally, the Internal/External Assessment is a team exercise. Typically, both the Agency Planning Team (APT) and other employees are involved in collecting and

analyzing the data. Input should also be sought from customers, stakeholders, board members and other individuals that have an interest in the agency.

> **Customers** are the primary intended recipients or beneficiaries of an agency's services. Agency performance can be gauged by customers' response to the services provided.

> **Stakeholders** include individuals and organizations that have direct involvement, an investment or interest (that is, a stake) in the success or actions taken by an agency. Stakeholders do not necessarily use the products or services of an agency. They include clients, volunteers, managers, employees, partners, suppliers, board members, legislators, the executive branch and the community. Their input should help in clarifying purpose, assessing performance and identifying priorities in the agency.

> > ▪ **Boards**:
> > It is important that all agencies include their board of directors, and/or advisory boards (as appropriate) in the SMART Planning Process, regardless of their role or function for the agency. It is particularly important for smaller agencies with few employees to use their boards and/or board members to complete the Assessment.

- <u>Assessment tools:</u>
  Completing the assessment will require reviewing data from various sources such as annual reports, program evaluations, financial and performance audits, employee and customer surveys, focus groups, comment forms, interviews, customer advisory committees and public meetings and hearings.

- <u>The Internal/External Assessment process should…</u>
  ✓ Define the agency's **Mission** based on the agency's responsibilities and the expectations of the customers and stakeholders,
  ✓ Reinforce and refine **Values** by evaluating the culture of the organization,
  ✓ Define the major responsibilities that drive the agency's **Workloads,**
  ✓ Cultivate a **Vision** by looking at desired outcomes, past accomplishments and future possibilities,
  ✓ Establish agency priorities that would translate into measurable **Key Goals,**
  ✓ Highlight strengths and opportunities to consider when formulating **Strategies,**
  ✓ Identify weaknesses and threats that could become **Critical Issues,**
  ✓ Identify the data necessary to gauge success and set performance **Objectives**, and
  ✓ Note historical and current budgetary issues that will factor into the request for financial **Resources**.

2. MISSION

- Definition:
  A brief summary of an agency's unique purpose for existence within the parameters of its legal definition. It summarizes why the agency exists, what it does, whom it serves and identifies the source of its legal mandate. An agency's Mission creates the framework for the planning process.

- Guidelines:
  Because of its legal basis, an agency's Mission rarely changes. The Mission of an agency is founded in the legal mandates to which the agency responds. These may be constitutional, statutory or judicial. The Mission should describe the actual work and purpose of the agency within its legal context.

- A SMART Mission should…
  - ✓ Clearly and succinctly, identify the agency's purpose,
  - ✓ Demonstrate legal authority,
  - ✓ Identify the agency's customers,
  - ✓ Encompass contribution of all agency staff, and
  - ✓ Include statutory code cite.

3. VALUES

- Definition:
  The core principles that govern behavior and the way in which the agency and its members conduct business.

- Guidelines:
  Values define the operating principles utilized in the fulfillment of the Mission and Vision. They are seen as a part of the agency's organizational identity and should guide decision-making at all levels. When properly identified, Values can be used to shape an agency's organizational culture.

- SMART Values should…
  - ✓ Summarize the agency's principles for conducting business,
  - ✓ Express the way members and customers should be treated,
  - ✓ Define what is appropriate, right and ethical, and
  - ✓ Provide expectations regarding the quality of an agency's services.

4. WORKLOADS

- Definition:
  Measures of operating activity. Workloads approximate the magnitude of an agency's work.

- Guidelines:
  For many agency operations, counting the number of clients served or the number of events that occur may define Workloads. Clients may be people, but they also may be institutions such as hospitals or schools; events may include decisions or processes. These measures are tracked for multiple years to demonstrate any variances in the agency's work. Therefore, Workloads rarely change in order to allow for long-term comparison.

  - ❖ How many Workloads should be included?
    The fewest possible measures or "Workloads Measures" should be included in a plan in order to provide a simple indication of the agency's work. For example, if an agency provides a service to a number of clients, the Workloads should either count the number of times the service is provided or measure the number of clients. Because the number of services depends on the number of clients and vice versa, including both measures is not necessary. If necessary, multiple Workloads measures may be combined to form a composite index as long as the method for measurement is consistent from year to year.

- SMART Workloads should…
  - ✓ Provide a snapshot of agency operations,
  - ✓ Be limited to as few measures as possible, and
  - ✓ Rarely change to allow annual comparisons.

Question 2: *Where do we want to be?*

❖ **Vision, Key Goals**

Vision and Key Goals make up the "Where do we want to be?" component of the SMART Planning Process. Vision symbolizes an agency's future. Key Goals establish the direction in which an agency is heading. *Key Goals will drive the rest of the plan as you identify how the agency will accomplish its Key Goals, how success will be measured and what resources the Key Goals will require.*

5. VISION

- Definition:
  A brief compelling description of a desired future to best meet the needs of the customers and stakeholders.

- Guidelines:
  A Vision statement creates a shared understanding of the nature and the purpose of an agency in order to move the agency forward. While the Mission provides direction, the Vision adds inspiration.

- A SMART Vision should…
  ✓ Provide a brief and memorable description of the agency's ideal future (not more than one sentence),
  ✓ Clearly relate to the agency's Mission, and
  ✓ Inspire and challenge the agency's members.

6. KEY GOALS

- Definition:
  Multi-year targets designed to improve the efficiency and/or quality of an agency's performance. The targets must be measurable, long-term, Mission-driven, and should be supported by benchmarking where possible.

  - Initially, each goal should have an established end point of roughly 3-5 years in the future. The target should stretch and challenge the agency, but it should be realistic and achievable. Key Goals should be limited in number, ranked to reflect the agency's top priorities and where applicable, support one of the Governor's Priorities.

- Guidelines:
  - **Governor's Priorities:**
    The Governor's Priorities provide initial guidance for agencies in formulating Key Goals. The priorities set a direction for the entire state, and, when possible, agency Key Goals should directly support and measure progress towards one of the Governor's Priorities for Alabama. (For a complete listing of the Governor's Priorities, see Section 5.)

- **Continuing goals:**
  Because Key Goals span multiple years, they should be maintained until they are reached, refined or removed. Goals from previous years should be carefully reviewed considering the agency's current situation. This will ensure the agency is on track to meet its performance targets.

- **New goals:**
  Formulating new Key Goals should begin with refining and prioritizing data during the Internal/External Assessment. The assessment process helps to identify priorities and service needs that are critical to accomplishing the agency's Mission. These priorities and service needs should be translated into measurable Goals to improve the agency's services.

  ❖ **Benchmarking:**
  Where possible, an agency should identify benchmarks to measure itself against organizations performing similar services. Seeking out best-in-class performers, both within and outside the agency can help identify Key Goals and provide national or professional standards (benchmarks) with which to measure the agency's performance.

  ❖ **What should Key Goals measure?**
  Key Goals should demonstrate the most important performance information about your agency. True performance goals are difficult to set without performance data that accurately reflects an agency's success in fulfilling its mission.

- **Fiscal Year Impact:**
  The Fiscal Year Impact summarizes the cost of pursuing the goal for the requested fiscal year in order to connect the Plan with the request for funds. Goals may not require any new funding and some Key Goals will free up resources. The Fiscal Year Impact should account for the total cost or savings of implementing the FY Strategies associated with the goal and, when appropriate, any new costs from the capital plan that can be associated with the goal. FY Impacts will be broken down by the source of funds: General Fund (GF), Education Trust Fund (ETF), federal funds, and other.

- SMART Key Goals should…
  - ✓ Define a specific measurable improvement in quality and efficiency,
  - ✓ Establish a timeframe for completion (3-5 years or more),
  - ✓ Support the agency's Mission,
  - ✓ Include benchmarks when possible,
  - ✓ Create a challenge for the agency, yet be realistic and achievable, and
  - ✓ Together, provide a concise overview of the agency's top priorities.

Question 3: *How do we get there?*

❖ **Strategies and Critical Issues**

Planning For Action:
Successfully accomplishing a goal will require a coordinated effort involving multiple Strategies over several years. A multi-year plan for action should be outlined from start to finish before individual FY Strategies and Critical Issues are identified. However, this outline is not required or submitted through SMART.

Outlining a long-range plan for a goal:
- Identify best practices and proposed methods (for accomplishing the goal).
- Gather feedback on proposals from staff and stakeholders.
- Compare costs and benefits of different strategies.
- Select methods that will achieve the best results.
- Outline a multi-year timeline:
  - ✓ Identify **FY Strategies** and costs;
  - ✓ Identify and address **Critical Issues** which will impede progress;
  - ✓ Review and refine plan annually.

7. FY STRATEGIES

- Definition:
  What an agency will do during the fiscal year to move toward accomplishing a Key Goal and/or addressing a Critical Issue.

- Guidelines:
  A FY Strategy may entail any number of projects such as developing a new service, restructuring a process or coordinating efforts to change a statute. FY Strategies should be part of a multi-year plan (maintained within the agency) which maps out the major actions the agency will undertake to accomplish its Goal (see "Outlining a long-range plan" above).

  ▪ **Cost or savings of FY Strategies:**
  Implementing a FY Strategy will sometimes require new resources (fiscal and other). Any new cost or savings of implementing a Strategy provides the basis for the Fiscal Year Impact of each Goal. Therefore, the Fiscal Year Impact of any Goal should be explained through the FY Strategies for that Goal. (See "Fiscal Year Impact" p. 19 and "Total Fiscal Year Impact of Key Goals" p. 27)

  ▪ **Anticipating and addressing Critical Issues:**
  Strategies should also address any current and/or future Critical Issues. If there are Critical Issues (see next section) that may impede the implementation of your plan, then additional Strategies should be developed in order to address those Critical Issues (see "Critical Issues" on the following page).

- **Short-Range Planning: Action Steps**
  Fiscal year Strategies outline what will be done during the year. When the plan is finalized, Strategies should be broken down into specific action steps that are maintained within the agency to track progress. Action steps should identify the specific task to be completed, the person responsible, the completion date and the resources required.

- SMART Strategies should…
  - ✓ Describe what the agency will do during the fiscal year,
  - ✓ Address each Key Goal and Critical Issue,
  - ✓ Identify the annual costs associated with the goal, and
  - ✓ Consider strengths and weaknesses from Internal/External Assessment.

8. CRITICAL ISSUES

- Definition:
  A significant, manageable barrier or opportunity that affects an agency's ability to carry out its Mission or Key Goals.

- Guidelines:
  Identifying Issues:
  Identifying Critical Issues begins by discovering a problem/obstacle affecting a goal and developing a solution/Strategy. In order to identify a Critical Issue, you must have a Strategy that works toward resolving the problem. Critical Issues are very significant because failure to resolve the problem will prevent accomplishing an agency's Mission and/or Key Goals. Critical Issues must be manageable either within the agency *(internal)* or outside the agency but within the state *(external).* Although *internal* Critical Issues should be identified within the agency and addressed, only *external* Critical Issues will be reported in the SMART process.

  Classifying Critical Issues:
  Critical Issues are classified as internal or external. Classification should be determined by the strategy (solution) for the Critical Issue. Strategies manageable within an agency should be classified as *internal*, and Strategies requiring assistance from outside the agency, but within the state help, should be classified as *external*. Agencies will only report *external* Critical Issues.

  Critical Issue Classifications:
  There are seven classifications of external Critical Issues: coordination, funding, information technology (IT), legislation/legal, personnel, state administrative policy/procedure, and other. Many Critical Issues could be categorized in more than one classification. In this instance, an issue should be classified according to the most basic solution for the issue.

  For example, funding issues may be both funding and legislation/legal. Funding is generally the category even though legislation may be required to provide the funding. The category "other" is provided for those few issues

with solutions that do not fit in the classifications provided. The seven external classifications are defined below:

1) **Coordination:**
   This includes coordinating or collaborating with other public or private entities, including state and federal agencies regarding policies or procedures that impact the agency. This is different from communication because there is an expectation of action to address the Critical Issue both by the agency and by the external entity.

2) **Funding:**
   An issue should be classified as funding when no other solution or strategy would be successful. Provision of requested or adequate funds is expected to resolve the issue. If a Critical Issue is classified as "funding," further explanation will be defined by selecting from the following funding categories: personnel, IT, purchase of services, non-IT equipment/supplies, operations and other.

3) **Information Technology (IT):**
   Solutions for issues in this classification include IT hardware, software, infrastructure, etc.

4) **Legislation/Legal:**
   Issues within this classification relate to needed state legislation or litigation in state or federal court. Resolution of these issues may include passage of legislation to address a problem, may provide an opportunity or may involve resolution of current litigation.

5) **Personnel:**
   Issues within this classification relate to the management of staff, including the need for staff, recruitment, retention, training, compensation, assignment of staff, succession planning, or any other issue related to staff.

6) **State Administrative Policy/Procedure:**
   The primary focus of this classification is policies and procedures that could change without legislation. These are rules developed by various state agencies that affect many agencies and that could be modified by an executive decision.

7) **Other:**
   This classification should be used as a last resort when the solution does not fit within the other broad classifications.

- SMART Critical Issues should…
  - ✓ Clearly and concisely describe an issue and its effect,
  - ✓ Address issues that would prevent reaching a goal or implementing a strategy,
  - ✓ Be manageable by an entity within the state, and
  - ✓ Have Strategies to address them.

Question 4: *How do we measure our progress?*

Key Goals define a destination, Strategies define the actions that will lead to that destination, and Objectives measure progress of the agency as it moves towards the Goal. Objectives reflect the key performance information for each goal and demonstrate the agency's overall performance.

9. OBJECTIVES

- Definition:
  Specific and measurable performance targets set for *one fiscal year* that measure improvements in quality or efficiency related to a goal. While a goal may be supported by several Objectives, it is important to have at least one Objective measure the goal directly.

  Each Objective should be stated in a brief, easily understandable description of desired performance. An Objective should also include the following three parts:
    1) **Objective Type**
        - ➤ Efficiency
        - ➤ Quality
    2) **Unit of Measure**
    3) **Fiscal Year Targets**

    1) **Objective Type:**
        Similar to Key Goals, an agency's Objectives should describe a planned improvement in either efficiency or quality of work and services.
        - Efficiency Objectives describe an agency's ability to convert resources (staffing or spending) into results. Efficiency Objectives usually track either unit cost or staff productivity. *One Efficiency Objective must be included for every planning unit.*
            - o Unit Cost
              The average amount of money required to complete one unit of Workloads. Unit cost can be measured directly by dividing total spending by a measure of the Workloads.
            - o Productivity
              The average amount of Workloads completed by the staff employed. Productivity can be measured directly by dividing Workloads by staff.
        - Quality Objectives indicate an agency's success in meeting stakeholders' and customers' expectations. Generally, quality is measured in terms of timeliness, accuracy and completeness of services. The following are a few examples of what improvements might be measured in a Quality Objective:
            - o Increase customer satisfaction
            - o Increase timeliness of services
            - o Increase the effectiveness or completeness of a service
            - o Achieve professional standards

2) **Unit of Measure:**
   An Objective should contain a unit of measure that defines the metric to be used when tracking the Objective. For example, if an agency sets an Objective to "Improve customer satisfaction based on an annual customer survey", then the unit of measure would be "average customer satisfaction rating".

3) **Targets:**
   An Objective should contain a target that numerically states the projected level of performance. For example, the Objective mentioned above is to "improve the customer satisfaction" and the agency plans to improve by 5 percentage points by the planning year. If the current customer satisfaction rating were 85%, then the target would be 90%.

- Guidelines:
  Objectives measure annual progress towards a goal on multiple levels. Although one Objective should measure the goal directly, in many cases additional Objectives will be necessary to demonstrate the total value of a goal.

  Measuring a Key Goal directly:
  Each goal should define a measurable target with an end point that is roughly 3-5 years away. At least one Objective should directly measure each goal and establish a target for the fiscal year.

  Measuring a Key Goal indirectly:
  While one Objective may clearly measure the goal, there may be other related performance information needed to explain the value of a goal. Additional Objectives should be created to ensure that the Objectives, when viewed together, create a balanced picture of performance related to the goal. Generally, if the goal focuses on improving efficiency, another Objective should show at least a maintained level of quality. If a goal focuses on improving quality, another Objective should show the effect on efficiency.

- SMART Objectives should…
  - ✓ Define measurable improvements in quality or efficiency,
  - ✓ Communicate performance clearly, even to a non-expert,
  - ✓ Establish realistic but challenging targets for one FY, and
  - ✓ Together, demonstrate a complete picture of performance related to the goal.

Question 5: *What resources are necessary?*

❖ **Resource History / Spending and Staffing Summary**

When formulating a strategic plan, an agency must consider what resources will be needed to <u>successfully</u> implement the plan. The **Spending and Staffing Summary** links the agency's request for resources with the SMART Plan; the **Resource History** component simply provides a comparison of the Budget Request to prior years' appropriations and expenditures.

<u>**Spending and Staffing Summary**</u> (SMART Budget Request Only)

- Definition:
  An executive summary that demonstrates the connections between an agency's SMART Plan and the requested budget.

- Guidelines
  In order to communicate your agency's needs, a clear connection must be shown between the SMART Plan and the budget request. This connection is established in the agency level Spending and Staffing Summary of the SMART Budget Request.

  This section summarizes the request in terms of four elements. Added together, the following four elements equal the total request:
  1) The **Cost of Continuing** at the current service level,
  2) New cost or savings associated with the Key Goals for the planning year (above and beyond cost of continuing), known as the **total Fiscal Year Impact,**
  3) **New Capital Requests**, and
  4) **Miscellaneous Costs or Savings** that do not fit into a specific goal or the cost of continuing at the current service level.

(ALSO SEE CHARTS ON PAGE 28)

1) **COST OF CONTINUING LEVEL SERVICES** (three components):
   This section calculates the total cost of continuing current services using the current-year's appropriated budget (the Operations Plan) as a base. The Cost of Continuing Level Services is equal to the total of: (a) The total appropriated budget from the year preceding the Planning year, plus (b) any mandated and/or uncontrollable increases, and minus (c) any items included in the appropriated budget not repeated in the request.

   a. **Total Appropriated Budget:**
      The total appropriated budget for the Fiscal year preceding the Planning/Requested fiscal year.

b. **Mandated/Uncontrollable Cost (SMART Budget Request only)**:
Total anticipated cost increases over which the agency has no control. In calculating the cost of continuing level services, these items will be added to the prior year appropriation. These may include, but are not limited to, **cost increases** in one or more of the following:

- ✓ Retirement
- ✓ Health insurance
- ✓ Debt service
- ✓ FICA
- ✓ Replacement of worn out or damaged equipment with like equipment
- ✓ Items budgeted on an irregular basis
- ✓ New legislative mandates
- ✓ Changes in match rates for federal funds
- ✓ Personnel Department
- ✓ ISD and Telecom costs
- ✓ Risk Management
- ✓ Merit raises
- ✓ Rent Increases
- ✓ Longevity and termination costs

c. *****Non-Continued Costs:**
Total cost of any expenditure items included in the operations plan that will not continue into the requested budget. In calculating the cost of continuing level services, these items will be subtracted from the prior year appropriation.

- ▪ Non-Continued Costs: One Time Expenses
One time expenses or purchases are those costs in the base budget that will not be requested again. These items should be subtracted from the total appropriated budget.
    - ✓ Large equipment purchases
    - ✓ Purchasing a new vehicle
    - ✓ Large termination payments
    - ✓ Furniture
    - ✓ Extensive repairs to building or equipment
    - ✓ Start-up costs for a new program

- ▪ Non-Continued Costs: Changes in Funding
Non-continued cost should also account for any anticipated changes in funding outside of the agency's control. These could be grants or funds that will decrease/expire as well as funding designated for specific projects that do not directly relate to the agency's Mission (if the agency will not request this funding again).

    If funds decrease significantly from one source and you plan to seek funding from a different funding source, list a negative dollar amount for the fund that is decreasing and a positive dollar amount for the source from which you will request additional funds.
    - ✓ One-time grants
    - ✓ Decreases in grant amount
    - ✓ Non-agency / Indirect funding

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* Not required for SMART Plan (EBO Form 4)

2) **TOTAL FISCAL YEAR IMPACT OF KEY GOALS:**
A prioritized list of the agency's top Key Goals, including any **new** cost or savings associated with all Key Goals. During the planning process, Key Goals that will result in a cost or savings should have been assigned a Fiscal Year Impact; these FY Impacts are added together and prioritized in this section.

3) **NEW CAPITAL REQUEST:**
If the agency has a capital plan with a new funding request which does not fit into the cost of Key Goals, this request should be added as a New Capital Request. This should only be an increase in a project's cost or a new project, and should not be used if the cost is included in the FY Impact of a Goal.

4) **MISCELLANEOUS/ ADDITIONAL REQUESTS OR CHANGES:**
Costs, savings, or changes in funding that do not fit directly into FY impact of a goal or any other category available in the staffing and spending summary.

SEE TABLE ON FOLLOWING PAGE

11. Resource History

- Definition:
  A comparison of the total budgetary data and FTEs for the request to previous years' data. When necessary, use data from the most current EBO Operations Plan for years not yet finalized.

  NOTE: FTEs are calculated as total time employed divided by the total available work time. One employee utilized for the entire year represents one man-year of service (i.e. 1/1=1.00 FTE). Two clerical aides employed for six months are equal to one man-year of service (i.e. 6 months/ 12 months = 0.50 x 2 clerical aides = 1.00 FTE).

Spending and Staffing Summary Layout:

(1) Cost of Continuing Level Services

	GF	ETF	Federal	Other	Total
(a) Total Appropriated Budget	$15,532,931	0.00	$215,680,225	0.00	$231,213,156
(b) Mandated/ Uncontrollable Increases	$3,376,386	0.00	$127,715	0.00	$3,504,101
(c) Non-Continued Costs	($668,117)	0.00	($1,233,602)	0.00	($1,901,719)
(1)TOTAL COST OF CONTINUING LEVEL SERVICES	$18,241,200	$0.00	$214,574,338	$0.00	$232,815,538

(2) Total Fiscal Year Impact of Key Goals

		GF	ETF	Federal	Other	Total
G1	**Coordinate with Strategic Partners for the recruitment of 25,000 Jobs from new/expanding business**					
	G1 FY Impact	$20,000	0.00	0.00	0.00	$20,000
G2	**To achieve $ 10 billion in export sales of Alabama products and services annually, with a 6% increase each year**					
	G2 FY Impact	$400,000	0.00	0.00	0.00	$400,000
(2)Total Fiscal Year Impacts:		$420,000	0.00	0.00	0.00	$420,000

Total Requested Budget

	GF	ETF	Federal	Other	Total
(1) Total Cost of Continuing Level Services	18,241,200	0.00	214,574,338	0.00	$232,815,538
(2) Total Fiscal Year Impact of Key Goals	420,000	0.00	0.00	0.00	$420,000
(3) New Capital Requests	500,000	0.00	0.00	0.00	$500,000
(4) Miscellaneous Requests	0.00	0.00	0.00	0.00	$0.00
TOTAL Request	$19,161,200	$0..00	$214,574,338	$0.00	$233,735,538

Section 7:

FY09 SMART GOVERNING GLOSSARY

Action Plan –
A list of detailed steps necessary to implement each Strategy maintained within the agency. Each step will include description, person(s) & position responsible and expected completion date.

Activity –
The budgeting unit that falls directly below the Program Level. Agencies with multiple programs may choose to plan at the activity or program level.

Agency Planning Coordinator (APC) –
The person within the agency designated to facilitate the SMART Planning Process. He/she coordinates reports for submission, maintains and distributes the agency's SMART password and ensures that documents are completed in a timely manner.

Agency Planning Team –
The group within an agency charged with the development of the SMART Plan to include the agency director, management team, planners and financial staff.

Baseline –
The starting point from which an agency begins to measure its performance. Primarily this is used in reference to an Objective or Goal for which no previous data is available.

Benchmarking –
Rating an agency's services against the "best" in order to measure success and improve performance. Benchmarking entails looking for best-in-class performers inside or outside of the agency, determining why they are the best at what they do, and applying what is learned. Benchmarking can help an agency formulate Key Goals (identify specific improvements that should be made), build Strategies (find the best methods for improvement), and define their Objectives (find the best measures being used to assess improvements).

Capital Assets Plan
The SMART Capital Assets Plan is a five-year plan designed to identify an agency's current and anticipated capital needs (See Capital Asset Manual)

Critical Issue –
A significant, manageable barrier or opportunity that affects an agency's ability to carry out its Mission or Key Goals.

**Critical Issues Classification –**
A categorization of Critical Issues based on potential Strategies for resolution of an issue. The classifications include, coordination, funding, information technology, legislation/legal, personnel, state administrative policy/procedures and other.

**Customers –**
The primary intended recipients or beneficiaries of an agency's services, the group(s) of individuals whom the agency exists to serve. The products and services an agency provides directly impact them. They may be either internal or external to the agency. They are often referred to by different names (e.g. client, citizen, patient) depending on the type of service.

**Fiscal Impact –**
The estimated new cost or savings associated with each goal for the planning year.

**Full Time Equivalent (FTE) –** A value calculated as total time employed divided by the total available work time. One employee utilized for the entire year represents one-man year of service (i.e. 1/1=1.00 FTE). Two clerical aides employed for six months are equal to one man-year of service (i.e. 6 months/12months = 0.50 x 2 clerical aides = 1.00 FTE). One clerical aide employed for three months is equal to a quarter man-year of service (0.25 FTE)

**Functional Categories (Functions) –**
Clusters of state agencies that provide similar services. These categories were created to facilitate interagency coordination while improving statewide planning and service delivery. Functions of state government include: Economic Development and Transportation, Education and Culture, General Government, Health and Human Services, Licenses and Regulation, Natural Resources and Environment, and Protection of Persons and Property.

**High-Performers**
A designation available to agencies that meet established performance and compliance criteria with respect to the SMART Process. High Performers are eligible to receive incentive(s) for each fiscal year they retain this designation.

**Internal/External Assessment—**
A candid analysis and evaluation of internal and external data that provides the agency with a clear sense of its standing as well as the impact this standing will have on the agency and its ability to achieve its Mission.

**Key Goals** –
Multi-year targets designed to improve efficiency and/or quality of an agency's performance or operations. The targets must be measurable and should be supported by benchmarking if possible. Key Goals should be set while considering data from the Internal/External Assessment. Key Goals should be achieved within three to five years or more.

**Mandated/Uncontrollable Costs**—
Total net cost increase over which the agency has no control. These may include cost increases in one or more of the following: Retirement, health insurance, FICA, longevity and termination costs, rent, new legislative mandates, changes in match rates for federal funds, Personnel Department, Information Services Division costs and Telecommunication costs, Risk Management or debt service.

**Mission** –
A brief summary of an agency's unique purpose for existence within the parameters of its legal definition.

**Non-Continued Costs (savings)**—
Total of any expenditure items from the previous year that will not be continued into the budgeted year; these items should be decreases. For example, if an agency replaced a copier or a vehicle, this is a one-time expense that will not be repeated for the next year. This should also include any anticipated decreases in funding designated for specific projects such as a reduction in federal funding for hurricane relief. These non-continued costs might include one or more of the following: Large equipment purchases, one-time grants or decreases in grant amount, large termination payments, extensive repairs to building or equipment, furniture, start-up costs for a new program or purchasing a new vehicle.

**Objectives** –
Specific and measurable performance targets set for one fiscal year that measure improvements in quality or efficiency related to a goal. While a goal may be supported by several Objectives, it is important that at least one Objective measures the goal directly.
> _**Efficiency Objective:** describes an agency's ability to convert resources (staffing or spending) into results. Efficiency Objectives usually track unit cost or staff productivity._
> _**Quality Objective:** indicates an agency's success in meeting stakeholder and customer needs and/or expectations. Quality Objectives primarily track the accuracy, timeliness, and completeness of services._

**Program** –
The budgeting unit that falls directly below the Agency Level (also known as an "appropriation unit"). Agencies with more than one program may choose to plan at the activity or program level.

Result--
The impact or benefit of attaining an agency Key Goal is called the "result." For some Key Goals this impact will be self-evident, but for others it will be more difficult to relate the goal to an outcome that will benefit or affect the public. This is optional for each agency level Key Goal. The "results" of accomplishing a goal can be explained in a short narrative statement.

SMART---*Specific, Measurable, Accountable, Responsive, and Transparent.*

***S**pecific Results*
***M**easurable Key Goals*
***A**ccountable to stakeholders*
***R**esponsive to customers (internal & external)*
***T**ransparent to Everyone*

SMART Budget Request (EBO Form 4a) –
A summary plan plus an annual funds request.

SMART Cycle –
Consists of Plan (EBO 4), Budget Request (EBO 4a), Operations Plan (4b) and quarterly progress reports (EBO 10).

SMART Operations Plan (EBO Form 4b) –
A revision of the SMART Budget Request to reflect the actual appropriation.

SMART Plan (EBO Form 4) –
An agency's summary strategic plan, which includes: Mission (or purpose), key multi-year goals, Vision for the future and a high level plan of how they will achieve the stated Key Goals. It serves also as a foundation for subsequent SMART Budget Requests, Operation Plans & Quarterly Performance Reports.

SMART Quarterly Performance Report (EBO Form 10) –
A quarterly comparison of an agency's actual accomplishments to its planned performance. These reports will track an agency FY progress toward their multi-year goal.

Spending and Staffing Resources Summary –
An executive summary of how your plan aligns with your budget. It is composed of three major factors: (1) the cost of continuing at the current service level, (2) the cost or savings associated with implementing the Key Goals in your strategic plan for one fiscal year, and (3) any miscellaneous costs or savings that do not fit into the plan.

Strategy –
Defines "what" an agency will do in the FY to move toward accomplishing the multi-year goal or to address a Critical Issue.

Target –
The projected performance for a fiscal year stated numerically.

Unit Cost –
The average amount of money required to complete one unit of Workloads. Unit cost can be measured directly by dividing total spending by a measure of Workloads.

Values –
Core principles that govern behavior and the way in which the agency and its members conduct business.

Vision –
A brief compelling description of desired future to best meet the needs of its stakeholders.

Workloads -
Measures of operating activity.   Workloads approximate the magnitude of an agency's work.   *Workloads may include, number of clients, number of events, and/or number of processes.*

Section 8:

APPENDICES

Appendix A: SMART Dates and Calendar

       1. SMART Due Dates and Timeline for FY '08 & FY '09

       2. SMART Cycle – 3 Year Calendar

Appendix B: Listing of Functional Categories

Appendix C: Executive Planning Office Contact List

APPENDIX A: SMART DATES AND CALENDAR
SMART DUE DATES AND TIMELINE FOR 2007-2008

- ✓ **Jan. 17, 07** ....**FY07** SMART 1st qtr <u>Quarterly Performance Report</u> **due**
- ✓ **April, July, Oct. 07** ....**FY07** SMART <u>Quarterly Performance</u> submitted
- ✓ **June 07** ....**FY08** <u>Appropriations</u> projected to be complete
- ✓ **July / Aug. 07** ....**FY 09** <u>SMART Plan and Capital Assets Plan</u> **due**
- ✓ **Sept. 07** ....**FY08** <u>SMART Operations Plan</u> **due**
- ✓ **Oct. 1, 07** ....**FY08** <u>SMART Operations Plan</u> effective
- ✓ **Nov. 1, 07** ....**FY09** <u>SMART Budget Request</u> **due**
- ✓ **Jan., April, July, Oct. 08** ....**FY08** <u>SMART Quarterly Performance</u> reports submitted

JAN '07	APR '07	JUL '07	SEP '07	OCT '07	NOV '07	JAN '08
17- 07 1st QPR	17- 07 2nd QPR	17- 07 3rd QPR		17- 07 4th QPR		
			08 SMART Ops Plan			08 1st QPR
	09 Training	09 Plan			09 Budget Request	

SMART CYCLE – 3 YEAR CALENDAR

SMART CYCLE YEAR	2007 Calendar	2008 Calendar	2009 Calendar
	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D
FY 07	1st 2nd 3rd 4th — Quarterly Reporting		
FY 08	4b — Operations Plan	1st 2nd 3rd 4th — Quarterly Reporting	
FY 09	4 4a — SMART Plan Budget Req.	4b — Operations Plan	1st 2nd 3rd 4th — Quarterly Reporting
FY 10		4 4a — SMART Plan Budget Req.	4b — Operations Plan
FY 11			4 4a — SMART Plan Budget Req.

APPENDIX B: LISTING OF FUNCTIONAL CATEGORIES

Function Descriptions

State Government is responsible for many functions for the benefit of its citizens. These major functions may be categorized according to the primary Mission or purpose of the state agency or institution.

Economic Development and Transportation

Providing resources and infrastructure directed at developing the state's economy and promoting the marketing of Alabama products, services and workforce and regulating economic activities related to development.

Education and Culture

Promoting access to quality education from early childhood through post graduate studies including targeted support of fine arts, and math and science through schools, libraries, educational television; and enhancing of the quality of life by supporting diverse, rich artistic resources and preserving historic records, artifacts and places.

General Government

Providing administrative and support services for the legislative and executive branches of state government including financial management, personnel management, information technology, and enforcement of management and ethical standards and election laws.

Health and Human Services

Providing social services and health related services to all citizens.

Licenses and Regulation

Enforcing standards of practice for a wide variety of professions and businesses for the protection of all citizens.

Natural Resources and Environment

Preserving and conserving the natural resources and the environment of the state for its long-term future.

Protection of Persons and Property

Providing judicial services through courts and other legal entities, law enforcement and correctional services including information management and crime victim response, and planning, preparing and responding to natural or manmade disasters.

APPENDIX C: EXECUTIVE PLANNING OFFICE STAFF

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